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For Immediate Release

FCC FINES PURPLE \$11.9 MILLION FOR ABUSE OF TRS FUND
Company Registered Over 40,000 False Names, Improperly Collecting Millions
Dedicated to Providing Phone Service to People with Hearing and Speech Disabilities

WASHINGTON, December 18, 2015 – The Federal Communications Commission today announced an \$11.9 million fine against Purple Communications for improperly billing the Telecommunications Relay Service (TRS) Fund, which enables persons with speech or hearing disabilities to make and receive phone calls. The Commission found that Purple sought and received millions in reimbursements from the TRS Fund and failed to reasonably verify over 40,000 “users” with obviously false names, including gibberish and profanities. As a result of Purple’s inadequate verification procedures, “users” could have registered with names like “sdfsdf cicwciew,” “Myname Yourname,” or “Lot\$a Money,” for which Purple could be reimbursed.

“Improperly billing a federal program is unlawful in any context, but it is particularly unconscionable when that money is diverted from providing service to consumers with real speech or hearing disabilities who need to be able to make phone calls,” said FCC Enforcement Bureau Chief Travis LeBlanc. “The FCC has no tolerance for this type of abuse.”

The TRS Fund reimburses telephone carriers and other providers for providing relay services free-of-charge to telephone consumers with hearing and speech disabilities. To ensure that TRS is used for its intended purpose and that providers are only compensated for service provided to eligible individuals, providers must verify the registration information of online TRS users before issuing those users the ten-digit numbers necessary to use the service. This includes at least verifying their names and mailing addresses. The Commission established a clear legal standard for verification in a 2008 order.

From May 2010 through December 2011, Purple allowed more than 40,000 fraudulent users to register for service using obviously false names, such as names generated using random keystrokes, gibberish, or profanities. Purple then submitted numerous payment requests to the TRS Fund that included call minutes for IP Relay services associated with these “users,” ultimately receiving millions in compensation associated with these plainly false names.

In May 2014, the Commission unanimously issued a proposed fine (formally called a Notice of Apparent Liability), for Purple’s alleged improper conduct. Today’s fine affirms the Commission’s proposed fine in full through a Forfeiture Order.

Action by the Commission December 18, 2015 by Order (FCC 15-169). Chairman Wheeler,

Commissioners Clyburn, Rosenworcel and Pai approving. Commissioner O’Rielly concurring.

A copy of today’s Forfeiture Order is available at <http://go.usa.gov/ckQwp>

A copy of the 2014 Notice of Apparent Liability is available at <http://go.usa.gov/ck8gS>.

A consumer guide on the Telephone Relay Service is available here: <http://go.usa.gov/ckkXX>.

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).